



Arizona State Retirement System

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ASRS News

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ASRS Posts Strong Returns for Fiscal Year

The Arizona State Retirement System posted a rate-of-return for the fiscal year ending June 30, 2011 of 24.6 percent (net of fees, 25.1 percent before fees) on its total fund of more than \$27.8 billion, the largest pool of public investment assets managed in Arizona.

This follows the fiscal year 2010 return of 14.9 percent. The ASRS average long-term rate of return is approximately 10 percent.

The median investment return for state and local government retirement systems for fiscal 2011 was 21.6 percent (net of fees), according to the National Association of State Retirement Administrators.

Executive Director Paul Matson stated that this extremely strong performance was a result of several actions taken by the ASRS including:

1. Determining that the fundamentals of equities were strong and therefore maintaining a strong equity allocation.
2. Maintaining a global tactical asset allocation strategy.
3. Determining that market dislocations existed and consequently transferring funds to opportunistic markets.

"The opportunistic investment returns are particularly rewarding, given that it is a newer investment strategy for the ASRS. It is an investment approach that seeks to enhance returns by making investments in under-represented areas where there may be a temporary dislocation," Mr. Matson said.

"Although these are extremely strong returns, we must continue to be cautious and focus on both risk management and opportunistic investing."

The ASRS is the state's largest public retirement plan, with more than 536,000 members, including more than 107,000 retirees receiving a monthly benefit.

The ASRS oversees a defined benefit plan, retiree health insurance premium benefit plan and a long-term disability plan.